GOVERNMENT OF INDIA
COMMUNICATIONS
LOK SABHA

UNSTARRED QUESTION NO:3446
ANSWERED ON:11.12.2000
PAYING OF CORPORATE TAX
T.M. SELVAGANAPATHI

Will the Minister of COMMUNICATIONS be pleased to state:

(a) whether the Bharat Sanchar Nigam Limited has to bear an extra burden of huge amount per annum to pay the Corporate tax, sales tax, incremental dividend and higher salary to the employees;

(b) if so, the details thereof;

(c) whether the Government propose to exempt the BSNL from paying the Corporate tax for the first five years; and

(d) if so, the details thereof and the estimated loss of revenue likely to be suffered by the Government as a result of thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS (SHRI TAPAN SIKDAR)

(a) to (d) Bharat Sanchar Nigam Limited has been incorporated only recently on 1st October, 2000 and the Company`s first Profit and Loss Account and Balance Sheet for thee period from October, 2000 to March 2001 will be due by March, 2002. Since liabilities such as Corporate tax, sales tax, incremental dividend and higher salaries to the employees will be dependent upon a number of variables such as the rate of depreciation, quantum of profit, investment pattern vis-Ã -vis tax concessions, Government policy regarding licence fee etc., it is not possible at this stage to project the corporate entity`s liability on these accounts accurately.